

HOUSE BILL 260

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R6  
HB 471/02 - CGM

2003 Regular Session  
3r1726

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By: **Delegate Glassman**

Introduced and read first time: January 30, 2003

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicles - Salvage Vehicles - Distribution of Fees**

3 FOR the purpose of altering the distribution by the Motor Vehicle Administration of  
4 certain fees charged for certain inspections of salvage vehicles to require  
5 distribution to the Auto Theft Unit of the Department of State Police rather  
6 than the Vehicle Theft Prevention Fund; and generally relating to salvage  
7 vehicles and the distribution of fees.

8 BY repealing and reenacting, with amendments,  
9 Article - Public Safety  
10 Section 2-703  
11 Annotated Code of Maryland  
12 (As enacted by Chapter \_\_\_ (S.B. 1) of the Acts of the General Assembly of 2003)

13 BY repealing and reenacting, with amendments,  
14 Article - Transportation  
15 Section 13-507  
16 Annotated Code of Maryland  
17 (2002 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Public Safety**

21 2-703.

22 (a) There is a Vehicle Theft Prevention Fund.

23 (b) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302  
24 of the State Finance and Procurement Article.

25 (2) The Treasurer shall hold the Fund separately and the Comptroller  
26 shall account for the Fund.

1 (c) The Fund consists of:

2 (1) money received by the Fund under [§§ 13-507 and 17-106] § 17-106  
3 of the Transportation Article;

4 (2) money received by the Council or the Fund from any source; and

5 (3) investment earnings of the Fund.

6 (d) The money of the Fund shall be invested in the same manner as other  
7 State money.

8 (e) The Council shall spend money in the Fund in the following order of  
9 priority:

10 (1) to pay the expenses of the Council; and

11 (2) to carry out the purposes of this subtitle.

12 (f) When making grants from the Fund, the Council shall consider and  
13 prioritize the following entities and programs:

14 (1) State and local law enforcement agencies:

15 (i) to enhance vehicle theft enforcement and prevention teams or  
16 efforts; and

17 (ii) for programs designed to reduce the incidence of vehicle theft;

18 (2) local prosecutors and judicial agencies, for enhanced prosecution and  
19 adjudication of vehicle theft crime;

20 (3) neighborhood, community, or business organizations, for programs  
21 designed to reduce the incidence of vehicle theft;

22 (4) educational programs designed to inform motor vehicle owners of  
23 methods to prevent motor vehicle theft and to provide equipment, for experimental  
24 purposes, to enable motor vehicle owners to prevent motor vehicle theft;

25 (5) programs designed to reduce the incidence of vehicle theft and  
26 recidivism by juveniles; and

27 (6) programs designed to reduce or deter damage or vandalism to  
28 vehicles in connection with vehicle theft or theft of property from vehicles.

29 (g) To the extent practicable, the Council shall allocate grants made under  
30 this subtitle among the subdivisions of the State on a pro rata basis determined by  
31 the total number of vehicles registered in each subdivision divided by the total  
32 number of vehicles registered in the State.

33 (h) (1) Expenditures from the Fund may be made only:

- 1 (i) in accordance with the State budget; or
- 2 (ii) by the budget amendment procedure as provided in § 7-209 of  
3 the State Finance and Procurement Article, if at least 45 days have passed since the  
4 budget amendment and supporting information were submitted to the budget  
5 committees for their review and comment.

- 6 (2) The proposed budget and any budget amendment submitted to the  
7 General Assembly shall include an itemized list of each grant and other expenditure  
8 from the Fund to be made in the fiscal year.

#### 9 Article - Transportation

10 13-507.

- 11 (a) (1) An application for a certificate of title of a vehicle for which a salvage  
12 certificate has been issued shall be made by the owner of the vehicle on a form that  
13 the Administration requires.

- 14 (2) An application under paragraph (1) of this subsection shall be  
15 accompanied by:

- 16 (i) Except as provided in subsection (c)(3) of this section, the  
17 salvage certificate for the vehicle;

- 18 (ii) A certificate of inspection issued by a county police department  
19 or the Department of State Police; and

- 20 (iii) A certificate of inspection as required under Title 23 of this  
21 article.

- 22 (3) (i) The Administration may establish a fee for an inspection under  
23 paragraph (2)(ii) of this subsection.

- 24 (ii) The fees collected under this paragraph shall be paid [into the  
25 Vehicle Theft Prevention Fund established under Article 88B, § 74 of the Code] TO  
26 THE AUTO THEFT UNIT OF THE DEPARTMENT OF STATE POLICE FOR THE PURPOSE  
27 OF RECOVERING THE COST OF ADMINISTERING THE SALVAGE INSPECTION  
28 PROGRAM AND MAY NOT BE CREDITED TO THE GASOLINE AND MOTOR VEHICLE  
29 REVENUE ACCOUNT FOR DISTRIBUTION UNDER § 8-403 OR § 8-404 OF THIS ARTICLE.

- 30 (b) (1) The certificate of title issued by the Administration shall be:

- 31 (i) Issued in the name of the applicant; and

- 32 (ii) In a form as provided in this subsection.

- 33 (2) The Administration shall issue a certificate of title that contains a  
34 conspicuous notation that the vehicle is "rebuilt salvage" if the salvage certificate  
35 accompanying the application:

1 (i) Bears a notation under § 13-506(c)(2)(ii)1 of this subtitle; or

2 (ii) Does not bear a notation under § 13-506(c)(2)(ii)2 of this  
3 subtitle.

4 (3) The Administration shall issue a certificate of title that does not  
5 contain a notation under paragraph (2) of this subsection if the salvage certificate  
6 accompanying the application:

7 (i) Bears a notation under § 13-506(c)(2)(ii)2 of this subtitle;

8 (ii) Is issued before October 1, 1992 and the application is  
9 accompanied by a statement in writing from an insurance company that the cost to  
10 repair the vehicle was equal to or less than the fair market value of the vehicle prior  
11 to the vehicle sustaining damage; or

12 (iii) Is issued for a vehicle that is more than 7 model years old.

13 (c) (1) When an insurance company makes a claim settlement on a vehicle  
14 that has been stolen, the company shall apply for a salvage certificate as provided in  
15 § 13-506(c) of this subtitle.

16 (2) On receipt of an application under this subsection, the  
17 Administration:

18 (i) Shall make the appropriate notation in its records; and

19 (ii) May not issue the salvage certificate until the vehicle is  
20 recovered.

21 (3) When a vehicle that has been stolen is recovered, the Administration  
22 shall:

23 (i) Issue a salvage certificate for the vehicle if the insurance  
24 company submits a certification under § 13-506(c)(2)(ii)1, 2, or 3 of this subtitle; or

25 (ii) Issue a certificate of title in lieu of a salvage certificate if the  
26 insurance company states that the vehicle has not sustained damage or has sustained  
27 only minor damage.

28 (4) The provisions of subsection (b) of this section apply to a certificate of  
29 title issued under this subsection.

30 (5) A vehicle for which a certificate of title was issued under paragraph  
31 (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in §  
32 13-810(a)(9) of this article.

33 (d) If the Administration receives an application for a certificate of title for a  
34 vehicle accompanied by an ownership document issued by another state containing a  
35 notation under the laws of the issuing state that the vehicle is in a condition that is

1 substantially similar to a vehicle that is rebuilt salvage under Maryland law, the  
2 certificate of title issued by the Administration shall contain a similar notation.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2003.